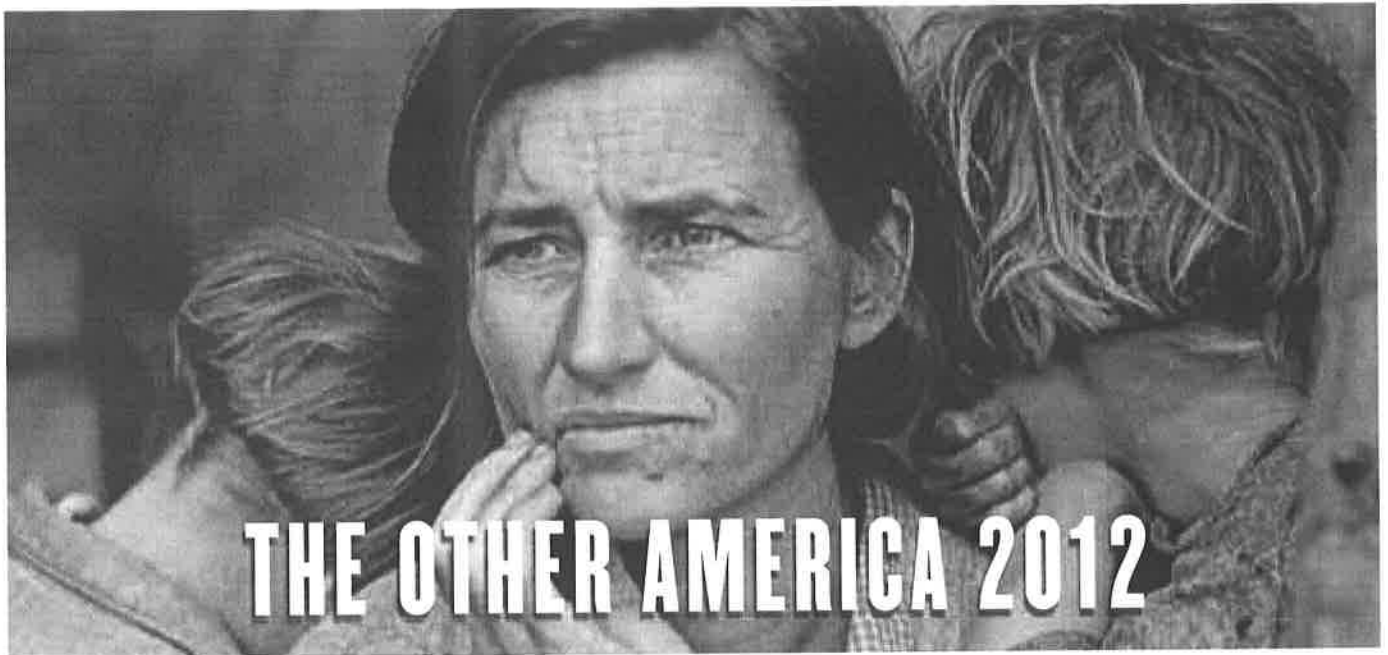


## The Nation.



To confront the poverty epidemic, we must first bring the “invisible poor” out of the shadows.

by **SASHA ABRAMSKY**

Clarksdale, Mississippi, might seem an unlikely starting point for a meditation on twenty-first-century American inequality. After all, the music the town's fame rests on is born of the sorrow and racial exploitations of another century. Clarksdale proudly markets itself as the home of the blues: the world's best blues musicians still come to jam in the little Delta town where W.C. Handy once lived, where Bessie Smith died and where Robert Johnson supposedly made his infamous pact with the devil at a crossroads on the edge of town.

But Clarksdale is also the site of a very different crossroads, one in many ways emblematic of what America is becoming: a place of stunning divides and dramatically disparate life expectations between rich and poor. The side streets of central Clarksdale are lined with tiny, dilapidated wooden homes. Most residents here make do without basic services and amenities, including anything beyond a bare-bones education, and many lack access to the broader cash economy. In contrast, the stately old townhouses in the historic district—places where several Mississippi governors grew up, where the young Tennessee Williams ran around while staying with his grandparents—look like the scenic backdrop to a romantic film set in the antebellum South. And the newer, more palatial mansions in the suburbs ringing the town could serve as staging grounds for a reality TV show on the nouveau riche.

In the poorer section of Clarksdale, in a subsidized housing unit about the size of a small boat's cabin, lives 88-year-old Amos Harper, a jack-of-all-trades who grew up in a sharecropping family. Harper spent decades doing everything from farmwork to interstate tractor-trailer transport. These days, he gets up early to supplement his \$765 monthly Social Security check, collecting cans from the gutters and trading them in for 49 cents per pound.

When he isn't doing that, he's mowing lawns and running errands for several of the town's richer residents, including Bill Luckett.

Luckett and his wife live in a huge house designed by architect E. Fay Jones, a Frank Lloyd Wright mentee. Every detail, from the high ceilings to the sunken rooms, has been carefully planned. The larger-than-life home complements the larger-than-life persona of Luckett, a burly 64-year-old attorney and real estate developer with a shock of gray hair who is “president of everything from a country club to a hunting club,” as he puts it. Luckett serves on a state legal aid board and various educational advisory boards, and he counts among his acquaintances some of the country's top politicians and entertainers.

He also considers Harper a friend, although, as Luckett would be the first to acknowledge, the friendship is deeply unequal. Until age slowed him down, Harper would routinely show up at the Ground Zero blues club, a raucous place Luckett owns with actor Morgan Freeman, showing off dance moves that Luckett says are some of the best in town.

For Luckett, Clarksdale's imbalances are indicative of broader fissures and inequities in Mississippi—and, he believes, across America. Angry at the way the political system is ignoring poverty, Luckett ran for governor last year on an anti-poverty and invest-in-education platform. He came in a strong second in the Democratic primary, though in a state as heavily Republican as Mississippi, that didn't necessarily count for much. “I'd never intended to get into politics,” he explains over a glass of red wine in one of his living rooms. But, he says, lack of investment in public education, an increasingly regressive tax system and other challenges pushed him into the fray. “America has never had as greedy a top 1 percent as we have now. The inequality has reached dangerous proportions.”

Unfortunately, Luckett is a rare exception in Mississippi

politics. The state's leadership is exemplified by ex-governor Haley Barbour and current governor Phil Bryant, who both won election by forging alliances between country club denizens and the culturally conservative white working class, which both preach the virtues of shrinking government, rolling back regulations and cutting social services. "When you get a white guy walking out of his rusty trailer into his pickup truck and he's got a VOTE REPUBLICAN placard in his yard, then you've reached the height of stupidity," Lockett says.

Sadly, this too is reflective of the nation. At a moment when the wealthy flourish atop a sea of state subsidies (with the tacit compliance of many of the working poor), while the poor are barely protected by a frayed social safety net and often disengaged from the decision-making processes that structure their lives, confronting the root causes of poverty is particularly daunting and increasingly urgent.

**F**or years, the story of poverty in America has been swept into the nether regions of our collective consciousness. Now, however, a new opportunity has opened up to place poverty and inequality center-stage again. Fifty years after Michael Harrington brought the "invisible poor" out of the shadows in his classic exposé *The Other America*, another generation is discovering that many parts of the country, and

## Although the economy has sputtered back to life recently, about 47 million Americans remain at or below the poverty line.

many demographic groups, are impoverished. And the issue is, thankfully, being reinjected into the national conversation. With the high visibility and popular support of the Occupy movement—and with the presidential campaign shaping up as a contest pitting the interests of the 99 percent against those of the wealthiest 1 percent—the poor stand at least some chance of having their issues aired once more.

Over the past year, I have interviewed hundreds of impoverished Americans about their experiences. Many of them I met on a 3,000-mile drive in December through the Southwest and South. Their voices are powerful, as are the statistics that tell the collective story of economic hardship in the United States. For although the economy has sputtered back to life in recent months, 8.3 percent of the workforce remains unemployed, and millions more have opted out of the job market altogether over the past few years. Perhaps an even starker measure of America's poverty problem can be found in "food insecurity" data: after decades of success fighting hunger, the country is sliding back; ever more families cannot feed themselves. Forty-six million

Americans subsist on food stamps, an increase of more than 14 million over the past four years, at an annual cost to the government of about \$65 billion. The Food Research and Action Center estimates that another several million are eligible, making do without government assistance. FRAC found that only 40 percent of food stamp-eligible residents of San Diego are using the program. In Denver the figure is 46 percent; in Los Angeles, 56 percent.

As poverty spreads, it is carving broader arcs of desperation throughout the country. In the wake of the housing crisis and the lengthy recession, with its jobless aftermath—along with the drawn-out collapse of many employment sectors and the decline in purchasing power of wages in many other sectors—a rising number of Americans are struggling to make it from one paycheck, or unemployment check, to the next. People who used to have modest degrees of security in regions traditionally more affluent than the Delta are seeing that security erode. Below them, people who had long had minimal levels of security are seeing their most basic needs going unmet as they fall through gaping holes in a shredded safety net. Relative hardship and absolute destitution are, in other words, on the march.

Once-booming economies like Nevada's have shrunk to levels of unemployment and homelessness not seen since the height of the Great Depression. Once-proud industries have been brought low. Once-booming real estate ventures—in Florida, Arizona, Nevada, California—are ghost towns. "Poverty is creeping into the diminishing middle class," notes Iray Nabatoff, a beret-wearing community advocate who runs a social services organization in the town of Arabi, in Louisiana's St. Bernard Parish, and who is vice-chairman of a group called Unified Non-Profits of Greater New Orleans. "It's everywhere. I don't think we've ever seen poverty to the level we're now seeing."

As in Harrington's day, a disproportionate share of the nation's poor are African-American and Latino. More than a quarter of blacks and Latinos live below the government-defined poverty line (about \$11,000 per year for an individual, \$23,000 for a family of four), compared with 12 percent of Asian-Americans and slightly less than 10 percent of whites. Among African-Americans and Latinos, the slide into poverty has been marked by a concomitant collapse in assets. This past July the Pew Research Center released an analysis of government data that concluded that the median wealth of white households was a staggering eighteen times that of Hispanic households and twenty times that of African-Americans. Fueled by disproportionate home foreclosures and underwater mortgages among these minorities, this trend indicates a reversal of decades of progress toward reducing such inequalities. "From 2005 to 2009, inflation-adjusted median wealth fell by 66% among Hispanic households and 53% among black households," says the report, "compared with just 16% among white households."

Although poverty is borne more heavily by minorities, that doesn't mean that it is only, or even mainly, a "minority problem." In fact, about 47 million Americans—of all colors, ethnicities and backgrounds—are living at or below the poverty

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*Sascha Abramsky is receiving support from the Special Fund for Poverty Alleviation of the Open Society Foundations to focus on poverty and economic hardship in the United States. He recently founded the web-based oral history project [thevoicesofpoverty.org](http://thevoicesofpoverty.org). His book on America's poverty epidemic will be published in 2013. He writes regularly for The Nation.*

line. (That figure is up from 37 million before the recent housing crisis.) Of these, more than 20 million are living in what's called "deep poverty," with incomes that put them and their families at below 50 percent of the poverty line. More than 16 million children in the United States, 22 percent of the country's kids, live in poverty, the highest total since 1962 and the highest percentage since Bill Clinton took office in 1993.

**E**ven these sorry numbers, however, don't tell the full story. Additional millions of men, women and children in America are living below what economists like Dean Baker, co-director of the Washington-based Center for Economic and Policy Research, term a "living wage" threshold. Too affluent to qualify for most government assistance programs but too poor to make ends meet, they are working at jobs that provide few or no benefits and are thus perpetually at risk of falling into devastating debt.

Take, for example, Albuquerque resident Megan Roberts, a young mother whose husband worked as a diesel mechanic for a trucking company, and whose family was kicked off Medicaid

## Mary Vasquez, 67, a phone operator at Walmart, netted about \$16,000 last year. Much of it went to medical expenses and payday loans.

when he received a small hourly raise. Megan's appendix ruptured while she and her family were temporarily living in California's Central Valley, and they were bankrupted by close to \$100,000 in medical bills. When she later developed cancer, they faced an additional \$186,000 in unpayable debt.

Millions of workers and their families are similarly vulnerable to such mundane changes as a slight decline in the number of hours per workweek or an extra few cents per gallon in the cost of gasoline. Many are elderly, forced back to bottom-of-the-economy jobs because of the low dollar amount of their Social Security checks and/or the collapse in value of their investments following the events of 2008.

One such person is 67-year-old Mary Vasquez, whose Social Security check is \$600 and whose rent is \$500. A tiny woman, her health broken by cancer, heart attacks, diabetes, high blood pressure and a multitude of other ailments, Vasquez works as a phone operator at a Walmart on the outskirts of Dallas. In the first eleven months of 2011, she earned slightly under \$23,800. After taxes, exorbitant health insurance premiums and automatic deductions to buy Walmart stock—a faux-savings option that the mega-company strongly encourages its employees to take, although most of them are too poor to retire on these savings—she netted \$15,887. A large part of her salary went for medical expenses not covered by Medicare or her Walmart healthcare plan; much of the rest went to pay down usurious payday loans she'd accumulated in recent years as her health declined.

Sitting in a union hall in the suburb of Grapevine, Vasquez (one of a handful of employees working to unionize her workplace) explains that she skips "mostly breakfast and sometimes

lunch." As a diabetic, she is supposed to eat fresh produce. Instead, she says, "a lot of times I buy a TV dinner; we have them on sale for 88 cents. A lot of times, food, I can't pay for."

Another American who struggles to put food on the table is Jorge, a 57-year-old who migrated to the United States from Mexico in 1982. Jorge (who doesn't want his last name used) lives with his wife in the large Chaparral *colonia*, an informal settlement of trailers, small houses and shanties near Las Cruces, New Mexico. Many of the roads are unpaved; many homes are not on the sewage or natural gas systems. There is a jarring contrast here between the ugliness of the settlement and the beauty of the desert landscape.

"There's a lot of deterioration of the trailers," Jorge says in Spanish. "In winter, pipes explode because of the freeze. I don't have water right now. Heating is so expensive, with propane gas. Those who have little children, they have to use it, but it's so expensive." A volunteer firefighter, he adds, "We see a lot of accidents with water heaters and explosions with the propane tanks."

Jorge recently had to give up his construction job because of worsening diabetes. These days he lives on \$592 a month in disability payments, as well as his wife's income from a part-time job. With no access to credit, the couple have been forced to borrow from payday loan companies, routinely paying \$600 back on a \$200 loan to pay their bills. The hole gets deeper with each new loan. They had to cede their car titles to the loan companies to guarantee their debts. This sort of situation is ubiquitous in the *colonia*. In fact, payday loans were one of the nation's few growth industries during the recession.

Jorge and his wife volunteer at the Chaparral food pantry. Sometimes, he admits, they are forced to use its services themselves. "We go monthly. We get cans, bread, meat, fruit sometimes. Sometimes we don't eat, or limit our food. Sometimes we just have two meals. One meal. The illness, diabetes, I need three meals. Sometimes I can't complete the nutritional requirements. That's just how it is."

**I**n New Mexico, which registers second worst in the country in poverty and sixth worst on inequality indicators, economic hardship is so widespread that the crisis is becoming increasingly unavoidable in political discussions. "On a day-to-day basis," says Kim Posich, executive director of the New Mexico Center on Law and Poverty, "people are doing without—doing with less access to healthcare, less access to food and nutrition. These are things that affect you in profound ways. There are communities in New Mexico that the school buses won't go into—you can't get emergency vehicles into—because the roads are in such terrible shape. They have to borrow a truck to go out to a source of water, and pay to stick somebody's hose into a tank on the back of their truck—just to have water to bathe and to drink. We're talking very basic amenities. We're talking about a level of poverty, in the *colonias*, that we often see in third world nations. In New Mexico, 130,000 people live in *colonias*."

To counter poverty and its causes, Posich's organization is pushing to protect the state's Medicaid program from proposed

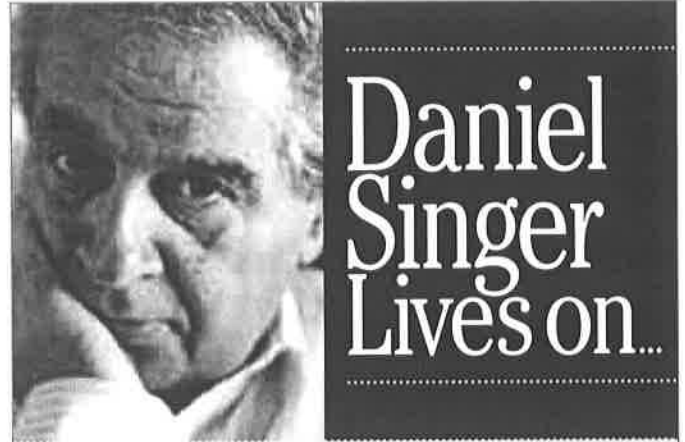
cuts (lack of affordable healthcare is one of the primary reasons people slide into destitution). The center is also working to shore up food-assistance programs and to ensure that the Affordable Care Act is implemented in the state. Longer term, Posich and his colleagues are pursuing a living-wage campaign and aiming to shift the debate on taxes to reflect principles of fairness and equity for people at the bottom of the economy. "Certainly we want people to be able to earn an income in New Mexico that will have them be financially stable," Posich says. "You can't live in New Mexico and be earning less than \$36,000 a year if you've got a couple kids, and be able to survive your car breaking down or being out of work for a couple weeks because you have the flu."

There are myriad signs that poverty and equity are starting to figure more prominently in national politics, too. In recent years, legislators' willingness to confront the crisis and craft innovative solutions to it was hampered by venomous anti-tax, anti-government rhetoric from the right, and by conservative oratory that blames the poor, often in barely camouflaged racial terms, for their misery. Even as national unemployment and poverty figures reached alarming highs during the recession, Democrats shied away from tackling the issue. President Obama repeatedly emphasized his commitment to protecting the struggling middle class, but he never pushed Congress to come up with a comprehensive anti-poverty strategy.

The Progressive Caucus attempted to buck this trend last year when it introduced a People's Budget, which emphasized infrastructure investments over tax cuts for the wealthy. And when the Occupy movement descended on Wall Street in the fall, the terms of the debate shifted radically. Suddenly Democrats were keen to jump on the bandwagon. In fact, President Obama launched his re-election campaign with a series of speeches decrying the country's growing inequalities and increasingly regressive tax codes. In Osawatimie, Kansas, the president declared that the growing chasm between rich and poor was "the defining issue of our time. This is a make-or-break moment for the middle class," he said, "and for all those who are fighting to get into the middle class. Because what's at stake is whether this will be a country where working people can earn enough to raise a family, build a modest savings, own a home, secure their retirement." Since that speech, Obama has repeatedly struck a more radical economic note than he did in the first three years of his presidency.

Some Republicans, sensing that their constituents have drawn connections between their financial struggles and an economy apparently rigged to favor the wealthy, have strained to show their concern about America's growing income divisions. It goes without saying that they have failed miserably. Witness the symbolic GOP bill in Congress to ban millionaires from getting food stamps—a ham-handed attempt to shift attention away from the causes and conditions of poverty and toward frauds supposedly bilking the government and the taxpayer. It was a stunt, and a stupid one, since access to food stamps is restricted to those at or below 130 percent of the poverty line. But it did show that the GOP is feeling the heat, finally realizing that being defined as the party of multimillionaires is a liability.

It was in this context that Mitt Romney's presidential pri-



"Daniel Singer was an author, lecturer and *The Nation's* longtime Europe correspondent whose unique voice for democratic socialism lives on through the Daniel Singer Millennium Prize Foundation. Essays developing ideas relevant to Daniel's themes are judged by an international panel of distinguished scholars and activists and the winning paper is discussed at the annual Left Forum conference. Daniel's voice continues to resound. It mustn't die."

## CALL FOR SUBMISSIONS TO THE 2012 DANIEL SINGER MILLENNIUM PRIZE

The Daniel Singer Millennium Prize Foundation congratulates Richard Swift, author of *Preparing the Ground: Left Strategy Beyond the Apocalypse*, which won the 2011 Singer Prize. The \$2,500 annual prize is a tribute to the outstanding writer, lecturer and thinker, who died in December 2000.

The Singer Foundation invites submissions to its 2012 competition. The prize will be awarded for an original essay of not more than 5,000 words, which explores the question: "From Tahrir and Syntagma Squares to the Indignados and the '99%' movement, 2011 saw people in the streets challenging the monopoly of political, economic and financial power by elite minorities. What, if anything, is new about these movements and can they fundamentally change the status quo?"

Essays may be submitted in English, Spanish or French, and will be judged by an international panel of distinguished scholars and activists. The winner will be announced in December 2012.

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many opponents attacked him for his role in taking over underperforming companies and throwing workers out of their jobs. The spectacle of Republicans ganging up on Romney for being a “vulture capitalist” was surreal; those same politicians spent much of the primary season in a competition for least compassionate conservative. Early on, Romney—who has repeatedly touted his extraordinary wealth as testimony to his dynamic personality—stumbled into an admission that he’s “not concerned about the very poor” and then offered an equally out-of-touch clarification that he really meant that poor Americans have a strong safety net to fall back on. Newt Gingrich decried a culture that gives people food stamps instead of enforcing a “work ethic,” and lowered the racebaiting bar by labeling Obama the “food stamp president”—code that Gingrich’s overwhelmingly white Southern supporters understood all too well. His equally unempathic rival Rick Santorum notoriously promised a crowd in Iowa that under his presidency hard-working (presumably white) taxpayers wouldn’t have to pay for nutritional assistance for do-nothing blacks. Come the general election, the GOP’s inability to understand the struggles of millions of ordinary Americans could well come back to haunt the party.

**T**he Occupy movement has been far more effective than Washington at highlighting the extent of poverty and plutocracy in America. But Occupy, too, has struggled to connect with the people it claims to speak for. As I traveled the country interviewing people living in poverty, I was struck by how few were involved in the movement. Many had little or no awareness of it. Others had heard of it and generally supported its aims—but many seemed alienated by its imagery. “I am scared that all of it is for naught at this point,” explained Lauren Kostelnick, a New Mexico massage therapist and food co-op worker who earned about \$13,000 in 2011.

“They’re really not aware of what’s going on in the country right now, in terms of the politics around food stamps, the Pell grant, things like that—things that will really influence their lives,” says Gloria Dickerson, a middle-aged businesswoman who has returned to her childhood home, the depressed Mississippi Delta town of Drew, to work with the underprivileged. “They’re trying to survive day to day, to put food on the table.”

The disenfranchisement and pervasive sense of loneliness among the poor is, of course, well-known. Fifty years ago, Harrington wrote eloquently about the extreme isolation of America’s “invisible land”; and nearly forty years before that, Bessie Smith famously sang, “Nobody knows you when you’re down and out.” Today, whether the poverty is total or relative, whether it is in a desperate inner city or a depressed suburb, many of the psychological costs are the same. A poor person in America is deeply, profoundly alone.

One sees this loneliness in the Lower Ninth Ward of New Orleans—a world of people abandoned by the body politic in the wake of natural disaster, left to fend for themselves. There, just three miles from the thriving tourist hub of the French Quarter, lie street after street of destroyed, gutted houses and acres of overgrown lots where there once stood stores and homes, churches and schools. It is an apocalyptic landscape, yet it is also strangely invisible—off the beaten path, hidden from

the decadent, jazzy splendors of Bourbon Street, a place of national shame all too easy to forget.

In pre-Katrina New Orleans, Census Bureau data showed that 50 percent of African-American children under the age of 5 were living below the poverty line. That figure was terrifyingly high—but not as high as the current estimates. Post-Katrina, the Census Bureau found that the figure had spiked to more than 65 percent.

Darren McKinney, a middle-aged man on disability and food stamps who has spent the past six years working to salvage some of the Ninth Ward’s wooden homes, calls it “a ghost town at nighttime.” When we met, he was sitting on a concrete slab that used to be the base of a house on Caffin Avenue, taking a break from working on a graffiti-covered hull. “I feel depressed,” he said. “But I try to keep positive to get through the rest of the day.”

And one also sees this loneliness a thousand miles west of the Big Easy, in the southwestern corner of Texas. Every day, thousands of visitors, migrant workers and would-be immigrants cross the Rio Grande on two of the international bridges that connect Juarez, Mexico, to El Paso, disgorging near Ninth Avenue, a long, seedy-looking thoroughfare that runs parallel to the international border. All along that street, in plain view of the barbed wire-surrounded Department of Homeland Security compound, migrants sleep. Come midnight, they wake up to seek out the street’s omnipresent labor contractors. If they’re lucky, the migrants get put onto trucks at 3 AM and driven to work in fields throughout southern Texas and New Mexico.

And so it makes sense that Ninth Avenue is where Carlos Marentes, a onetime political cartoonist who migrated to the United States in the early 1970s, runs a community center for impoverished farm laborers. There, they can get a free meal, a place to sleep, some hand-me-down clothes and a bathroom. Evenings, before the midnight stampede, dozens of men, women and children doze back to back in its halls and offices. Some of the migrants have lived at the center for years.

For Marentes, the border wars and the immigration debate are largely missing the point: his clients are doing work that others don’t want to do, for wages others wouldn’t accept. Not only do they face persistent hostility simply for being in the country; they also find their wages increasingly bid down because so many agricultural jobs are being done by machines. “You have an oversupply of labor,” he explains. “That is a condition the employers take advantage of. The result is, the farmworkers are the poorest of all the workers.”

Fidencio Fabela, who lived at the community center for years before moving into a small apartment, and who still gets up in the middle of the night to hire himself out to contractors, says, “I work in anything from the chili harvest to preparing the lettuce harvest, and in the cotton fields cleaning the rows of leaves.” A short, wizened, toothless septuagenarian with the wrinkled face of someone who has spent decades working under the hot sun, Fabela notes that “at this age, I don’t have steady work. I just get temporary jobs. I get \$8 per hour. The work starts around 6 and goes to 2 or 3 in the afternoon.” Onion harvests, he declares, are the hardest. “You’re bent over. People in that harvest don’t last. It gets so bad that after a little while you can’t sit down.”



When Occupy El Paso asked Marentes to come speak to them, he leapt at the chance. "I told them," he recalls, "that the 99 percent did not include farmworkers. No matter how hard they work, they cannot enter the 99 percent. They are at the margins." The average income of a seasonal farmworker in the El Paso area, he noted, was about \$6,000 per year, "not even close to the so-called federal poverty income guidelines. As hard as they work, attempt to do something, they cannot even come close to the poverty line."

In recent years, says Marentes, too many politicians have acted "as the foremen of the rich." Now, with more people regarding poverty as a moral cancer, a growing chorus of voices is urging the political classes to get serious about tackling the country's profound levels of inequality.

"We think that one of the basic problems, or manifestations of one of the basic problems, is this growing divide between the wealthiest and the poorest in our country," avers Kim Posich. "That's the biggest challenge, as I see it. How do we provide opportunity for the poorest of our population to be able to establish a stable livelihood? How do we develop assets? Decent wages?"

As Jessica Bartholow of the Los Angeles-based Western

Center on Law and Poverty puts it, surely the wealthiest nation on earth can make some bare minimum guarantees to our population: not that everyone will end up affluent or even comfortable, but that no one should have to live on income that is less than half the federally defined poverty level. Ensuring a basic level of assistance above 50 percent of the poverty line, she argues, should be a national entitlement. If we allow the number to drop below that, she explains, "we're putting kids in extreme danger—they're going to the hospital more often, missing school, missing opportunity at a great rate."

For years such aspirations, modest as they are, have been seen as politically improvident. The result has been a growth in inequality not experienced in this country since the 1920s. Now, however, significant movements are growing up to highlight these problems and to challenge the notion that such divisions are somehow an inevitable byproduct of modernity. The movements are young and somewhat inchoate; they are, however, vital. America's democratic culture cannot be restored to health unless we acknowledge the scale of poverty and start developing big-picture strategies to tackle the epidemic. ■

# What Would Michael Harrington Say?

If he were alive today, the author would find some reasons for hope—and some for dismay.

by MAURICE ISSERMAN

**W**ell into his 80s, Socialist Party leader and six-time presidential candidate Norman Thomas remained in demand as a speaker at political gatherings and protest rallies. Troubled by arthritis and dependent on a cane, he would take a while to reach the speaker's podium. On such occasions he'd sometimes bring down the house, rasping by way of self-introduction, "Creeping socialism."

Thomas died in 1968, shortly after his eighty-fourth birthday. Michael Harrington, who succeeded him as the pre-eminent figure of American socialism, had been one of the very few to sign up for membership in the Young People's Socialist League, the youth affiliate of the battered remnants of the Socialist Party, at the height of the McCarthy era in 1951. A tireless organizer, prolific writer and charismatic orator, Harrington became famous as "the man who discovered poverty" with the 1962 publication of *The Other America*, a work credited with sparking Lyndon Johnson's War on Poverty. Later he would found Democratic Socialists of America, successor to the Socialist Party. Harrington hoped to have as many years as his mentor Thomas to spread the

socialist gospel. That was not to be. He died of cancer in 1989 at the age of 61. Had Harrington lived, he would have turned 84 this past February.

In the 1960s the term "creeping socialism" was used by some conservatives to suggest that Democratic-sponsored social welfare programs like the War on Poverty and Medicare were way stations on the road to the abolition of capitalist enterprise and individual liberty. After falling into disuse, the term has enjoyed a spectacular renaissance in recent years. Linked to "Obama" in a Google search, it produces more than 400,000 results.

Given the frequency with which the administration is charged with carrying out a socialist agenda (and not just by fringe activists—Newt Gingrich wrote a book titled *To Save America: Stopping Obama's Secular Socialist Machine*), it might be interesting to speculate on what an authentic socialist like Harrington would have to say about today's politics, had he been granted the four score and four years his predecessor was.

Historians are trained, rightly so, to be suspicious of counterfactuals. (Perhaps if Harrington had lived to be 84, he might have picked up a copy of *The Road to Serfdom* one day and had a late-life conversion to Austrian economics, unlikely as that seems.) But if anyone has the right to channel Harrington's thoughts from the afterlife, it's his sons, Alec and Ted Harrington. Before venturing my own opinions, I first put to them the question, "What would Mike have to say today?"

*Maurice Isserman teaches history at Hamilton College. He is the author of The Other American: The Life of Michael Harrington, and the preface to the 50th anniversary edition of Harrington's The Other America, just reissued by Simon and Schuster.*

## Ship Breaker by Paolo Bacigalupi- Poverty (article 2 of 2)

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## Overworked and underpaid?

By Paul Davidson, USA TODAY

Posted 4/16/2012 12:15:02 AM

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Americans were pushed to their limit in the recession and its aftermath as they worked longer hours, often for the same or less pay, after businesses laid off almost 9 million employees.

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Now, many are striking back in court. Since the height of the recession in 2008, more workers across the nation have been suing employers under federal and state wage-and-hour laws. The number of lawsuits filed last year was up 32% vs. 2008, an increase that some experts partly attribute to a post-downturn austerity that pervaded the American workplace and artificially inflated U.S. productivity.

Workers' main grievance is that they had to put in more than 40 hours a week without overtime pay through various practices:

- They were forced to work off the clock.
- Their jobs were misclassified as exempt from overtime

requirements.

- Because of smartphones and other technology, work bled into their personal time.

"The recession (put) more pressure on businesses to squeeze workers and cut costs," says Catherine Ruckelshaus, legal co-director of the National Employment Law Project. If employers had to bear the actual expense of overtime, she says, they likely would have hired more workers in the economic recovery.

In response, employers are playing defense. They're drawing clearer lines between workers and managers, and in many cases, reining in modern office privileges, such as company-issued smartphones and telecommuting. The upshot, in many instances, could be a very different American workplace.

Courts, meanwhile, must reconcile decades-old labor laws with ever-evolving technology. The spread of BlackBerrys and iPhones has many workers tethered to employers, for better or worse, even during off hours and vacations.

The controversy has reached the Supreme Court, but in a case involving an age-old profession: sales. Today, the justices will hear oral arguments in a class-action lawsuit against drugmaker GlaxoSmithKline. Pharmaceutical sales representatives -- traditionally classified as exempt from overtime pay -- say they've been misclassified, a stance backed by the Labor Department in another case. Glaxo says the sales force clearly is exempt under current law.

## Legacy of another time

Employers say the explosion of lawsuits shows how the 1938 Fair Labor Standards Act

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(FLSA) -- at the center of the Glaxo case -- has become outmoded in an age when most employees want the flexibility to work at home or answer office e-mail while running about on their free time.

"The law has not kept pace with the contemporary workplace," says Randy MacDonald, IBM's head of human resources.

Many companies have reclassified salaried executives as hourly employees -- often to the consternation of the workers themselves, says Dan Yager, general counsel of the HR Policy Association, which represents human resource professionals. Such a strategy lets employers head off lawsuits by paying a lower basic wage that accounts for expected overtime.

Under the FLSA, employees are entitled to overtime unless they're executives who manage and hire and fire employees; administrators who make key decisions; or professionals -- such as lawyers and engineers -- with advanced degrees, among other criteria. Also exempt are certain information technology workers and sales representatives whose hours can't easily be tracked.

Employees must earn at least \$455 a week to be exempt. While all hourly employees are entitled to overtime, salaried workers may also qualify if they don't fall under any of the exemptions.

Last year, 7,006 wage-and-hour lawsuits, many of them class actions, were filed in federal court, nearly quadruple the 2000 total, according to defense law firm Seyfarth Shaw. Meanwhile, in fiscal 2011, the Labor Department recovered \$225 million in back wages for employees, up 28% from fiscal 2010.

Labor has added 300 wage-and-hour investigators the past two years, increasing its staff by 40% to 1,050. The department "has stepped up its efforts to protect workers," particularly "in high-risk industries that employ low-wage and vulnerable workers," such as hotels and restaurants, says Nancy Leppink, deputy administrator of the wage-and-hour division.

Several attorneys for plaintiff workers say employers wrung more output from fewer employees during recoveries following the 2001 and 2007-09 recessions. Both upturns initially yielded sluggish job growth.

"A lot of companies make a business decision to say, 'We can cut corners on this, and we won't get sued,'" says plaintiffs' attorney David Schlesinger of Nichols Kaster in Minneapolis.

U.S. productivity, or output per labor hour, rose 2.3% in 2009 and 4% in 2010 -- a period that includes the recession's final months and its aftermath -- vs. increases of 0.6% to 1.6% the previous four years. Some economists say the gains are overstated because many overtime hours were not properly counted, as employees worked off the clock.

Richard Alfred, chairman of Seyfarth Shaw's wage-and-hour practice, has a different view. He agrees that the recession helped drive the growth in lawsuits, but he says that's because many laid-off workers became lead plaintiffs in class-action lawsuits to reap financial windfalls after they couldn't find new jobs.

The biggest reason for the lawsuit surge, he says, is that lucrative settlements a decade ago prompted labor lawyers to file copycat complaints, and the lawsuits are far simpler and less costly to pursue than discrimination cases.

With class-action cases exposing companies to multimillion-dollar judgments, "the liability becomes so substantial that a vast majority of these cases settle," says Garry Mathiason, vice chairman of Littler Mendelson, which defends companies in such lawsuits.

Case in point: In November, Oracle agreed to pay \$35 million to settle claims by 1,666 software testers, technical analysts and project managers that they were denied overtime because they were misclassified as administrators or professionals. The company did not admit wrongdoing.



### The vice of technology

The newest variety of plaintiff is a worker with a handheld device. Jeffrey Allen, a sergeant in the organized crime unit of the Chicago Police Department, says he got a near-constant barrage of e-mails, text messages and calls on his department-issued BlackBerry until around 10 p.m. every weeknight. Each required a response lasting from a minute to an hour or two, he says.

While dining with his family, mowing the lawn or watching his son play soccer, Allen often had to step away to coordinate search warrants and compile reports on seized assets, among other tasks. Two years ago, he filed a class-action suit against the city on behalf of himself and other hourly paid police officials. Allen says they're owed back overtime pay from 2007 to 2010. The case is pending.

"You feel like you don't really get a break from your job," says Allen, 47, who still works for the department, but in a different role.

Roderick Drew, a spokesman for the city's law department, says it's policy to let police officials request overtime. In a legal filing, the city argued that Allen failed to show that his communications were more than an insignificant amount. Some courts have said that applies to anything less than 10 or 15 minutes.

Other wage-and-hour cases seek compensation for off-the-clock work in the office. In a class-action complaint filed in February against Verizon Wireless, customer service representative Heather Jennings says she had to be at a Mankato, Minn., call center 10 to 15 minutes before her shift officially started. Jennings says workers such as herself had to log into their computers and open databases so they were ready to take calls.

"I thought it was unfair," says Jennings, 31, who was laid off by Verizon last May.

Verizon spokesman Tom Pica says the company "compensates its employees fairly and fully." In a legal filing, Verizon said that Jennings' pre-shift activities were minimal and that she failed to take advantage of complaint procedures at the time.

Other lawsuits allege that employers gave workers fancy titles to avoid paying overtime.

Richard DeLeon is among more than 750 current and former assistant store managers of Big Lots in Florida suing the discount department store chain. DeLeon, 57, says he spent his workday running cash registers, unloading trucks and tidying the Cutler Ridge, Fla., store.

He says managerial functions -- such as assigning tasks to employees -- took up 10% to 15% of his time, but he couldn't hire, fire or discipline workers. DeLeon says he typically worked about 60 hours a week and earned \$43,000 a year. His workload increased, he says, when managers had to run stores with fewer employees in 2009.

"This is really a game plan by the company to keep labor costs down," says DeLeon's lawyer, Mitchell Feldman of Feldman Fox & Morgado.

Big Lots did not return messages seeking comment. In court papers, the company said the "primary duty" of the lawsuit's lead plaintiff, Angela Schenburn, was assistant manager, but "at times" she may have done lower-level tasks "concurrently."

Even office workers who sometimes earn \$100,000 a year, such as securities brokers and financial advisers, are demanding overtime pay, arguing they're just salespeople rather than key decision-makers.

In a class-action case, Scott Finger, 46, a former MetLife mortgage loan officer, says he had to work about 65 hours a week at the firm's Melville, N.Y., office to meet sales targets while earning about \$5,700 a month in commissions. While he recommended whether to approve loans, he says, underwriters made the final decisions.

MetLife spokesman Ted Mitchell would not comment on pending litigation. The company has asked a judge to dismiss the case, saying it duplicates a previously filed lawsuit.

**A changing workplace**

Companies say the lawsuits have forced them to grant workers less flexibility.

Several years ago, IBM voluntarily reclassified 7,000 salaried technical and support workers earning an average \$77,000 a year to hourly employees after it settled a class-action labor lawsuit for \$65 million. The company cut their base salaries 15% to account for potential overtime, says IBM's MacDonald.

IBM's Shar Anderson oversaw 20 workers in a customer service group. "It made me feel less valuable to the company," says Anderson, 55, who has a bachelor's degree in computer science and several professional certifications. Anderson, who's now in a similar but higher-level salaried position, says she "wasn't able to do my job" because she sometimes had to hand off emergency responses to colleagues after 5 p.m.

In a survey by the HR Policy Association last year, a third of the 155 large member firms that responded said they've restricted telecommuting as a result of the lawsuits, and 56% said they've curbed the use of communications devices outside the office.

Johnna Torsone, head of human resources for mailing systems maker Pitney Bowes, says the firm would like to give about 30 overtime-eligible sales support staffers the ability to work from home but has held back while searching for a way to track their time.

"You just don't take the risk," she says.

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